

R E M A R K S

A. INTRODUCTION

Claims 45-67 are pending and rejected.

Claims 1-44 are withdrawn.

Claims 45, 48, 49, 52, 66, and 67 are the only independent claims.

The Specification is amended to update some priority information and information about cross-referenced applications. No new matter is added.

B. REQUEST TO WITHDRAW THE FINALITY OF THE OFFICE ACTION

The Office Action includes a new grounds of rejection under 35 U.S.C. § 103(a) for Claims 45-51, which have not been amended since the previous Office Action. The previous Office Action did not include any Section 103(a) rejection of those claims, and the Examiner indicated Claims 45-51 contained allowable subject matter in light of the same cited references (see page 12). Accordingly, the new grounds of rejection was not necessitated by any amendment, and the finality of the present Office Action is premature. We respectfully request that the finality of the Office Action be withdrawn and that the Amendment be entered.

C. NON-STATUTORY DOUBLE PATENTING REJECTION (PREVIOUSLY ADDRESSED)

Claims 45-48 stand “rejected under the judicially created doctrine of obviousness-type double patenting” as being unpatentable over specified claims of U.S. Patent No. 6,688,976.

We believe that this rejection has been asserted in error. This is the same grounds of rejection provided in the previous Office Action mailed September 2, 2005. On March 6, 2006, Applicants filed a terminal disclaimer referencing U.S. Patent No. 6,688,976, which rendered this rejection moot. According to IFW, the Terminal Disclaimer has been approved. See entry for March 27, 2006. Accordingly, the non-statutory double patenting rejection of Claims 45-48 is moot. We do not necessarily agree or disagree with any of the assessments of the cited patent or the rejected claims, or the Examiner’s statements as to the obviousness of the rejected claims.

D. SECTION 101 REJECTION

Claims 45-64, 66, and 67 stand rejected under 35 U.S.C. § 101 as being directed to non-statutory subject matter. We respectfully traverse the Examiner’s Section 101 rejection.

We respectfully do not agree with the Examiner's rejections of Claims 45-64, 66, and 67 for an alleged failure to output any information, such as a price, in printed form or to a display.

There is no requirement in Section 101 precedent that requires that a piece of determined information must be output in order for a claim to be statutory subject matter.

See, e.g., Decision on Appeal No. 2006-2040, pages 2-11 (BPAI, February 22, 2007) (analyzing State St. Bank and AT&T, finding that determined prices are "useful, concrete and tangible" results because they can be relied upon by a customer and a retailer as the final purchase total for products in a transaction, and noting with respect to the Examiner's requirement of output to have a "tangible effect on the world": "We do not find such a requirement for physical output in the precedent interpreting § 101.") (not for publication and not binding precedent of the Board) (emphasis added).

As the rejection under Section 101 applies a standard that departs from the requisite legal analysis, the rejection is flawed.

Contrary to the Examiner's analysis and discussion of State St. Bank, in State St. Bank the Federal Circuit found a useful, concrete, and tangible result in the mere determining of "a final share price momentarily fixed for recording and reporting purposes and even accepted and relied upon by regulatory authorities and in subsequent trades," even though Claim 1 at issue, for example, did not recite any of those potential uses of any "final share price," nor did it require any "output" of the price, as the Examiner is requiring now. The Examiner has not responded to this argument. In fact, the claim at issue in State St. Bank provided for "processing" and "allocating" data:

1. A data processing system for managing a financial services configuration of a portfolio established as a partnership, each partner being one of a plurality of funds, comprising:

(a) computer processor means [a personal computer including a CPU] for processing data;

(b) storage means [a data disk] for storing data on a storage medium;

(c) first means [an arithmetic logic circuit configured to prepare the data disk to magnetically store selected data] for initializing the storage medium;

(d) second means [an arithmetic logic circuit configured to retrieve

information from a specific file, calculate incremental increases or decreases based on specific input, allocate the results on a percentage basis, and store the output in a separate file] for processing data regarding assets in the portfolio and each of the funds from a previous day and data regarding increases or decreases in each of the funds, [sic, funds'] assets and for allocating the percentage share that each fund holds in the portfolio;

(e) third means [an arithmetic logic circuit configured to retrieve information from a specific file, calculate incremental increases and decreases based on specific input, allocate the results on a percentage basis and store the output in a separate file] for processing data regarding daily incremental income, expenses, and net realized gain or loss for the portfolio and for allocating such data among each fund;

(f) fourth means [an arithmetic logic circuit configured to retrieve information from a specific file, calculate incremental increases and decreases based on specific input, allocate the results on a percentage basis and store the output in a separate file] for processing data regarding daily net unrealized gain or loss for the portfolio and for allocating such data among each fund; and

(g) fifth means [an arithmetic logic circuit configured to retrieve information from specific files, calculate that information on an aggregate basis and store the output in a separate file] for processing data regarding aggregate year-end income, expenses, and capital gain or loss for the portfolio and each of the funds.

149 F.3d 1368, 1371, 1373 (Fed. Cir. 1998). The Federal Circuit recognized that Claim 1 is a “machine,” and further clarified that this is only a threshold issue: a claim must be directed to one of the four categories of subject matter contemplated under Section 101. The court continued:

The question of whether a claim encompasses statutory subject matter should not focus on which of the four categories of subject matter a claim is directed to n9 --process, machine, manufacture, or composition of matter--but rather on the essential characteristics of the subject matter, in particular, its practical utility. ...For purpose of our analysis, as noted above, claim 1 is directed to a machine programmed with the Hub and Spoke software and admittedly produces a "useful, concrete, and tangible result." Alappat, 33 F.3d at 1544, 31 U.S.P.Q.2D (BNA) at 1557. This renders it statutory subject matter....

149 F.3d at 1375.

The Examiner's standard for "useful, concrete, and tangible result" is also contrary to AT&T v. Excel:

Whatever may be left of the earlier test, if anything, this type of physical limitations analysis seems of little value because "after Diehr and Alappat, the mere fact that a claimed invention involves inputting numbers, calculating numbers, outputting numbers, and storing [**23] numbers, in and of itself, would not render it nonstatutory subject matter, unless, of course, its operation does not produce a 'useful, concrete and tangible result.'" Id. at 1374, 47 U.S.P.Q.2D (BNA) at 1602 (quoting Alappat, 33 F.3d at 1544, 31 U.S.P.Q.2D (BNA) at 1557).

172 F.3d 1352, 1359 (Fed. Cir. 1999). The Court found:

The PIC indicator represents information about the call recipient's PIC, a useful, non-abstract result that facilitates differential billing of long-distance calls made by an IXC's subscriber. Because the claimed process applies the Boolean principle to produce a useful, concrete, tangible result without pre-empting other uses of the mathematical principle, on its face the claimed process comfortably falls within the scope of § 101.

172 F.3d at 1358 (emphasis added). Thus, again, the Federal Circuit found that a mere determined value may be a useful, concrete, and tangible result based on what it represents, and not based on any explicit subsequent use or output of that value.

In other words, under the proper standard for statutory subject matter under § 101, contrary to the Examiner's assertion, all that is required is that a claim meet one of the four categories of subject matter and produce a useful, concrete, and tangible result.

The Examiner asserts that the claims do not have a "real world" value. We do not understand how a request to purchase a lottery ticket does not have "real world" value or is a manipulation of an abstract idea. We do not understand how determining the price for a requested lottery ticket, set of symbols, or lottery combination for a drawing does not have "real world" value or is a manipulation of an abstract idea. We do not understand how preventing a set of symbols or numbers from being associated with a lottery ticket or entry does not have "real world" value or is a manipulation of an abstract idea (see Claim 67, for example). We do not understand how storing an indication of a price of a lottery ticket does not have "real world" value or is a manipulation of an abstract idea (see Claim 66, for example). These are all discrete (i.e. not abstract) results of various claimed embodiments, that like the data processed in State St. Bank, constitute practical applications.

Each of the pending claims is a proper process claim. The Examiner does not dispute this.

Contrary to the Examiner's assertion (which is based on a standard for useful, concrete and tangible result that contradicts the authority the Examiner relies upon) all independent claims (and thus all pending claims) produce a useful, concrete and tangible result.

We respectfully request reconsideration of the Section 101 rejections of Claims 45-64, 66, and 67.

E. SECTION 103(A) REJECTIONS

Claims 45-67 stand rejected under 35 U.S.C. 103(a) as being unpatentable over Scanlon (U.S. Patent No. 4,922,522), and further in view of Our Opinion ("Our Opinion State scamming lottery buyers", York Daily Record, April 9, 1998). We respectfully traverse the Examiner's Section 103(a) rejection.

1. Claims 48, 52-65 and 67

Independent Claim 48 recites:

receiving a request that the lottery number combination will be exclusively associated with only a single lottery ticket for the lottery drawing

Independent Claim 52 recites:

receiving, from the lottery terminal, an indication of a request by a player that a set of symbols is to be associated with no more than a predetermined number of occurrences with respect to the drawing

Independent Claim 67 recites:

based on a request by a player received at a lottery terminal, preventing the first set of symbols from being associated with any entry other than the first entry in the pari-mutuel lottery drawing

Neither Scanlon nor Our Opinion teaches or suggests that a player may request to limit generally the number of occurrences of a set of symbols with respect to a particular drawing or that a request could be received to exclusively limit a specific lottery number combination associated with a lottery ticket, much less receiving from a lottery terminal an indication of such a request by a player, or preventing a first set of symbols from being associated with any other entry based on a request by a player.

The only findings with respect to Claim 52 are

Scanlon teaches a method of facilitating a lottery ticket, receiving a request from an operator, the operator able to choose the number of

occurrences and a price for such a transaction in accordance to the purchase, [sic] In column 2:57-63 Scanlon expresses a costumers [sic] ability to arrange a purchase, select the numbers and the quantity of times to play (occurrences), and the billing (pricing) of such a purchase in accordance to the characteristics of the purchase, say numbers and occurrences.

[Office Action, page 5].

The only findings with respect to Claims 48 and 67 are

Scanlon teaches the exclusive combination of the ticket for the occurrence. In column 5:18-33 Scanlon talks about a method to avoid duplicating tickets, and if so indicating the number of duplicates in existence. In column 5:53-55, Scanlon teaches preventing the sell [sic] of duplicate tickets.

[Office Action, page 6].

Nothing in Column 2, lines 57-63 or Column 5 (or elsewhere in Scanlon) or in Our Opinion is substantial evidence that the features noted above were known prior to Applicants' invention. The Examiner has not articulated any reasoning as to how the cited portion suggests the features. Even if Scanlon teaches a customer arranging a purchase or a single player making multiple purchases of the same set of symbols, or a lottery system prohibiting duplicate lottery entries, nothing in Scanlon suggests the particular claimed subject matter of a request by a player to limit generally (e.g., for any players) the number of occurrences of a set of symbols with respect to a particular drawing, or preventing an association of a set of symbols with any other entry based on a request by a player. There is no prima facie case of obviousness for at least this reason.

Also, there is no alleged motivation to provide for any such features, nor would the cited evidence support any allegation that it would have been deemed desirable by one of ordinary skill in the art to modify any of the asserted subject matter to provide for such features where a player can make such requests. Further, Our Opinion suggests that halting ticket sales for particular numerical combinations is a scam on lottery buyers and "rigging the odds" and is therefore evidence that such a feature would have been deemed undesirable by one of ordinary skill in the art. There is no prima facie case of obviousness for at least this reason.

All of claims 53-65 depend from independent Claim 52. We respectfully request the Examiner reconsider and withdraw the Section 103(a) rejection of Claims 48, 52-65 and 67.

2. Claims 49-51 and 66

Independent Claim 49 recites:

determining a price associated with a lottery ticket having a lottery number combination based on a number of occurrences that are associated with the lottery number combination

Independent Claim 66 recites:

receiving, from the lottery terminal, an indication that a set of symbols is to be associated with no more than a predetermined number of occurrences with respect to the drawing

determining a price for the lottery ticket based on the predetermined number of occurrences

Neither Scanlon nor Our Opinion teaches or suggests determining a price associated with a lottery ticket having a particular lottery number combination based on a number of occurrences that are associated with that lottery number combination, or that the number of occurrences of a particular set of symbols is to be no more than a predetermined number of occurrences with respect to a particular drawing, and that a price for a lottery ticket is determined based on that number occurrences. For example, if a set of symbols is to be associated with no more than five occurrences with respect to a particular drawing, a price for a lottery ticket would be determined based on the five occurrences limit.

The only findings with respect to Claims 49 and 66 are the same as those quoted above with respect to Claim 52. Nothing in Column 2, lines 57-63 (or elsewhere in Scanlon) or in Our Opinion is substantial evidence that the particular manner of determining a price of a lottery ticket recited in Claims 49 or 66 was known prior to Applicants' invention. The Examiner has not articulated any reasoning as to how the cited portion suggests the features. Even if Scanlon teaches "billing (pricing) of such a purchase," nothing in Scanlon suggest pricing may be based on a limit on occurrences generally for a particular drawing or lottery combination. There is no prima facie case of obviousness for at least this reason.

Also, there is no alleged motivation to provide for any such feature, nor would the cited evidence support any allegation that it would have been deemed desirable by one of ordinary skill in the art to modify any of the asserted subject matter to provide for such a feature. Further, Our Opinion suggests that halting ticket sales for particular numerical combinations is a scam on lottery buyers and "rigging the odds" and is therefore evidence that such a feature would have been

deemed undesirable by one of ordinary skill in the art. There is no prima facie case of obviousness for at least this reason.

Claims 50 and 51 depend from independent Claim 49. We respectfully request the Examiner reconsider and withdraw the Section 103(a) rejection of Claims 49-51 and 66.

3. Claims 45-47

Independent Claim 45 recites;

A method of facilitating a lottery ticket transaction, the lottery ticket being associated with a lottery number combination, comprising:

receiving a request from an operator terminal to purchase the lottery ticket for a lottery drawing;

receiving an indication from the operator terminal that the lottery number combination is to be associated with only a limited number of occurrences for the lottery drawing; and

determining a price associated with the lottery ticket based on the received indication and agreement that not more than the limited number of occurrences of the lottery number combination will be sold for the lottery drawing.

Neither Scanlon nor Our Opinion teaches or suggests that a price for a lottery ticket is determined based on a limited number occurrences of a lottery number combination. For example, if a set of symbols is to be associated with no more than five occurrences with respect to a particular drawing, a price for a lottery ticket would be determined based on the five occurrences limit.

The only findings with respect to Claim 45 are the same as those quoted above with respect to Claim 52 and the following:

Regarding claim 45, and 51-54, Our Opinion 4/9/98 teaches the indication and agreement with the costumer [sic] at the time of purchase of the limits on the number of duplicate tickets sold for that drawing, and the price associated with the transaction.

[Office Action, page 6].

Nothing in Column 2, lines 57-63 (or elsewhere in Scanlon) or in Our Opinion is substantial evidence that the particular manner of determining a price of a lottery ticket recited in Claim 45 was known prior to Applicants' invention. The Examiner has not articulated any reasoning as to how the cited portion suggests the feature. Even if Scanlon teaches "billing (pricing) of such a purchase," nothing in Scanlon suggest pricing may be based on a limit on occurrences generally for a particular drawing. Nothing in Our Opinion suggests any "agreement with the

[customer]” that has anything to do with limiting the number of occurrences of a lottery number combination. To the contrary, Our Opinion suggests that the customer has nothing to do with the decision to limit sales in this manner, and is in fact being scammed by the process outlined in that reference. There is no prima facie case of obviousness for at least this reason.

Also, there is no alleged motivation to provide for any such features, nor would the cited evidence support any allegation that it would have been deemed desirable by one of ordinary skill in the art to modify any of the asserted subject matter to provide for such a feature. Further, Our Opinion suggests that halting ticket sales for particular numerical combinations is a scam on lottery buyers and “rigging the odds” and is therefore evidence that such a feature would have been deemed undesirable by one of ordinary skill in the art. There is no prima facie case of obviousness for at least this reason.

Claims 46 and 47 depend from Claim 45. We respectfully request the Examiner reconsider and withdraw the Section 103(a) rejection of Claims 45-47.

F. PETITION FOR EXTENSION OF TIME TO RESPOND & AUTHORIZATION TO CHARGE APPROPRIATE FEES

Please grant a petition for any extension of time required to make this Response timely.

Deposit Account: 50-0271

Order No.: 00-019-C1

Please also charge any appropriate fees set forth in 37 C.F.R. §§ 1.16 – 1.18 for this paper and for any accompanying papers to Deposit Account 50-0271. Please credit any overpayment to the same account.

G. CONCLUSION

It is submitted that all of the claims are in condition for allowance. The Examiner's reconsideration is respectfully requested.

If the Examiner has any questions regarding this paper or the present application, the Examiner is cordially requested to contact Michael Downs at telephone number (203) 461-7292 or via electronic mail at mdowns@walkerdigital.com.

Respectfully submitted,

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